



State of Louisiana
Louisiana Department of Health
Bureau of Health Services Financing

VIA E-MAIL ONLY

September 12, 2019

Mr. Kyle Viator, CEO
AmeriHealth Caritas Louisiana
10000 Perkins Rowe, 4th Floor
Baton Rouge, LA 70810

RE: Notice of Monetary Penalty – Failure to Process Member Appeals Timely

Dear Kyle:

By Notice of Action dated July 24, 2019, AmeriHealth Caritas Louisiana (ACLA) was notified of its failure to process member appeals in the timeframes required by the contract for the May 2019 report period. The contract between ACLA and the Louisiana Department of Health (LDH) requires all appeals to be resolved within thirty (30) days of receipt by ACLA, with a potential fourteen (14) day extension, as outlined below:

13.6.1. Specific Timeframes

13.6.1.2. Standard Resolution of Appeals

For standard resolution of an appeal and notice to the affected parties, the timeframe is established as thirty (30) calendar days from the day the MCO receives the appeal. This timeframe may be extended under Section 13.6.2.1 of this Section.

13.6.2. Extension of Timeframes

13.6.2.1. The MCO may extend the timeframes from Section 13.6.1 of this Section by up to fourteen (14) calendar days if:

- The member requests the extension; or
- The MCO shows (to the satisfaction of LDH, upon its request) that there is need for additional information and how the delay is in the member's interest.

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ACLA was given until the July 2019 reporting period to demonstrate compliance and process all member appeals within the timeframes outlined in the contract. As of the July 2019 reporting period, ACLA has one occurrence of taking longer than the contractual timeframes to process appeals. An outpatient services appeal (AC0619037) was received June 7, 2019 and was due on July 7, 2019; however, it was not completed until July 24, 2019 (47 days).

Failure to adhere to the contract requirements cited herein carries a monetary penalty per occurrence per calendar day of non-compliance of \$5,000 as outlined in Section 20.3.3. of the contract between ACLA and LDH.

Notice is hereby given that a monetary penalty in the amount of \$85,000 (17 days) will be retained from the next monthly payment made to ACLA. In the future, should ACLA fail to process member appeals within the timeframes set forth in the contract penalties may be assessed for each appeal remaining open each day in violation of the contract provisions cited herein.

Should you have any questions, please do not hesitate to contact me.

Sincerely,



Stacy Guidry,
Section Chief, Program Operations and Compliance

SG/lj

cc: Michael Boutte
Connie Lewis
Jen Steele
Kim Sullivan
Christina Wilson
ACLA2-12